

Attachment I to the Initial Comments of the Wyoming Public Service Commission
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Draft rules on Interconnection and Compensation Among Local Exchange Competitors

cooperate in good faith in resolving network service problems. The exchange company which serves as the named local carrier for the end user is responsible for the reporting of trouble and follow through in correcting the network service problems. Any situations that are not resolved within reasonable expectations may be brought to the attention of the Commission, for its action. The quality of service rules can be referred to for any other additional necessary details.

(xi) The public switched telecommunications network boundaries for each carrier shall be publicly stated and filed with the Commission and technical configurations for connecting companies also shall be available on request with a complete description of services provided in the calling areas.

(xii) Local exchange carriers shall cooperate in the areas of planning, emergency preparedness, directory assistance, ordering, billing and any other functions necessary to ensure the provision of essential telecommunications services, to provide for public safety, and otherwise promote public convenience.

(b) Unbundled Access

(i) Incumbent local exchange carriers shall be required to make available network elements to competing local exchange carriers on an unbundled, non-discriminatory basis. The minimum level of such unbundling, subject to future further unbundling if needed, shall be:

- (A) Local Loop Distribution
- (B) Local Loop Concentrator
- (C) Local Loop Feeder
- (D) Local Switching
- (E) Operator Services
- (F) Tandem Switched Local Transport
- (G) Dedicated Local Transport
- (H) Interoffice Transport
- (I) Signaling Links
- (J) Signal Transfer Point (STP)
- (K) Signal Control Point (SCP)

(ii) An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide telecommunications services.

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(iii) The unbundled loop tariff is not limited to 2-wire analog service. Unloaded loops (2 and 4-wire) and line-side connections (2 and 4-wire) will be available.

(iv) Unbundled access shall be subject to the FCC's determinations under the Telecommunications Act of 1996 regarding access to network elements that are proprietary in nature.

(v) Incumbent local exchange carriers shall provide nondiscriminatory access to databases and associated signaling necessary for call routing and completion. Nondiscriminatory access shall also be provided to: 911 and E911 services; directory assistance services; and, operator call completion services.

(vi) Published directories - a unified directory is essential and should result in a regularly published telephone directory of each exchange, listing the name, address and telephone number of the subscribers who can be called in that area, regardless of carrier. Incumbent local exchange carriers shall include white pages directory listings for customers of the other carrier's telephone exchange service, as required of RBOCs by Section 271 (c)(2)(B)(viii) of the Telecommunications Act of 1996.

(vii) Incumbent local exchange carriers are required to permit and facilitate unaltered transmission of signaling information between customers and interconnected carriers, and may not claim a proprietary right to signaling protocols or elements of signaling protocols. Incumbent local exchange carriers shall continue to make available call setup signaling resources and nonproprietary information necessary for setting up local calls and interexchange connections, including the use of signaling protocols used in the querying of databases such as 8XX database, Alternate Billing Service (ABS), and Line Information Database (LIDB).

(viii) Unbundling of network features, functions and capabilities beyond this level shall occur at the option of the incumbent local exchange carrier, or upon further Commission rule if reasonable proven need or demand is shown, consistent with Section 251 (c)(3) of the Telecommunications Act of 1996.

(ix) The price for any unbundled network element shall be set at or above TSLRIC. In the latter case, such price will be no greater than that providing the maximum Commission-approved contribution to shared, joint and common costs as applicable. Unbundled functions shall be available on a uniform basis to all competing local exchange carriers.

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(x) The sum of prices charged by the incumbent local exchange carrier for unbundled network elements shall not be greater than the price it charges retail consumers for the bundled service.

(xi) Incumbent local exchange carriers shall impute the filed prices for unbundled network elements it charges to other local exchange carriers into the price floors of each service that utilize such network elements in the provisioning of the service.

Section 550. Access and Interconnection Charges and Compensation Among Competing Local Exchange Service Providers.

(a) Access Charges. The Act requires the transition of rates toward TSLRIC costs, and the elimination of subsidies. The rate transition anticipated by the Act is a reduction of switched access and toll rates, and an increase in local rates. In addition, the Act intends to ensure essential telecommunications services are universally available and affordable to the citizens of Wyoming.

(i) Incumbent local exchange carriers shall file with the Commission proposed tariffs and/or schedules including cost support as required by the law within 120 days of the effective date of these rules.

(b) Compensation Among Competing Local Exchange Service Providers

(i) No local exchange carriers shall be subsidized by any other local exchange carrier.

(ii) A subsidy to an incumbent LEC is defined to exist if that local exchange carrier's prices associated with unbundled network elements that permit exchange of traffic between that carrier and any competing local exchange service providers were to be above the total of Commission-approved total service long run incremental costs and Commission-approved markup (contribution) over that cost as applicable. A subsidy to a competing local exchange carrier is defined to exist if the incumbent local exchange carrier's prices associated with unbundled network elements that permit exchange of traffic between competing local exchange service providers were to be below Commission-approved total service long run incremental costs.

(iii) To the extent access charges for origination and termination of long distance traffic, of an incumbent local exchange carrier, are substantially above

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TSLRIC costs, such charges pursuant to these rules (or any other rules) may not be applied to competing local exchange carriers. Pursuant to applicable provisions of the Telecommunications Act of 1996, the Commission shall determine whether just and reasonable prices for exchange of local traffic may include a reasonable profit, and if so what that reasonable level may be.

(iv) Charging on a per minute of use basis by one local exchange carrier for the termination of local traffic originated by another local exchange carrier shall not be permissible without a showing, and Commission order accepting that showing, that the costs of measuring, recording, billing and collecting such minutes of use-based terminating charges are exceeded by the benefits of such a mechanism, including the promotion of fair and effective competition. In no instance shall an interim or permanent local call termination rate include a carrier common line charge (CCLC), residual interconnection charge (RIC), universal service charge or other non-cost-based charge.

(v) Notwithstanding the provisions of (iii) and (iv), previously, a "bill and keep" approach to compensation for termination of traffic to another carriers' network shall be employed, until permanent number portability is established pursuant to the requirements of Section 551, which follows, and unbundling of network elements has been accomplished pursuant to the requirements of Section 549, previously. This provision shall apply unless carriers negotiate a different agreement, subject to Commission action and approval under Section 252 of the Telecommunications Act of 1996.

(vi) To avoid unreasonable price discrimination, interconnection arrangements and rates must be independent of the technology employed by the connecting carrier (e.g., PCS, cellular, CATV/coax) to serve customers, except only as necessitated by cost differences related to the actual technical interfaces. To the extent necessary, the Commission will approve transitional plans to implement this provision and mitigate undue revenue dislocations caused by a flash-cut approach.

(vii) Incumbent local exchange carriers shall file necessary tariffs or price schedules to remove distinctions in interconnection arrangements and rates based on type of carrier and/or type of technology employed by a carrier (i.e., radio, PCS, cellular, fiber optic or coaxial cable), within 90 days of the effective date of this rule. To the extent necessary, the carrier may file a proposed transition plan accompanying the proposed tariffs or price schedules, to mitigate undue revenue dislocations. Such transition plan and tariff/price schedule filing shall be subject to Commission approval. Furthermore, contracts employing such distinctions shall have such provisions affecting interconnection arrangements and prices removed

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as soon as possible under the terms of the contract. No new contracts shall be entered which are not "technology neutral" as compared to all other contracts for similar applications.

(viii) At the time any tariff, price schedule, or price structure containing prices chargeable to competing local exchange carriers or interexchange carriers is proposed to be changed or introduced, the incumbent local exchange carrier shall provide analysis of its own retail price structures. Such analysis is to demonstrate that the incumbent local exchange carrier's retail prices "recover" the tariffed prices proposed to be charged by it to competing local exchange carriers. Such analysis shall also include any other costs incurred by the incumbent local exchange carrier in providing the retail service, that are not included in the prices chargeable to competing local exchange carriers or interexchange carriers. Such analysis shall be performed for each competitively significant individual retail service of the incumbent local exchange carrier, unless the Commission authorizes otherwise. Tariffs, and other arrangements allowed by the Commission, which are filed in compliance with Section 553 (a) of these rules are specifically subject to this requirement.

(ix) Prices and charges of a competing local exchange carrier, for exchange and termination of traffic, may be no higher than those charged by the incumbent local exchange carrier, but in no event shall be below cost.

Section 551. Resale of Services.

(a) Any telecommunications services of an incumbent local exchange carrier shall be available for resale, subject to Sections 251 (b)(1) and (c)(4), Section 252 (c)(3), Section 254 (h)(3), and Section 271 (e)(1) and any other applicable provisions of the Telecommunications Act of 1996. A reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers shall not offer such service to a different category of subscribers.

(b) Except as specified in subparagraph (a), no tariff, price schedule, or other arrangement of an incumbent local exchange carrier allowed by the Commission shall restrict resale. Incumbent local exchange carriers shall eliminate and remove any and all resale restrictions currently imposed by the local exchange carrier, whether by tariff or otherwise, within 90 days of the effective date of these rules, subject to the provisions of the Telecommunications Act of 1996.

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(c) Incumbent local exchange carriers shall provide for resale wholesale local exchange services (end-to-end transmission and switching product, including all switch-based vertical services). Consistent with the Telecommunications Act of 1996, such services shall be discounted from the retail service level, to reflect avoided costs as approved by the Commission.

(d) To provide for resale, incumbent local exchange carriers, at minimum, shall fulfill bona fide requests for wholesale services to be resold, in a prompt and timely manner, pursuant to the requirements of these rules. A request is to be considered bona fide when it is in writing and in good faith, and contains necessary and relevant information. The carrier to whom the request is made shall promptly, in writing, and in good faith, acknowledge receipt of the request and shall immediately identify for correction any and all apparent errors or omissions in the request. Requests for wholesale services to be resold shall be presumed to have been fulfilled in a prompt and timely manner if services and facilities are provided to and accepted by the other party within 30 days, or after a longer period of time if the 30 day time limit is extended by mutual agreement of the parties. Requests fulfilled outside such time periods (or not fulfilled) may be brought to the attention of the Commission, for its action.

(e) Incumbent local exchange carriers shall provide electronic interfaces to resellers of local exchange service (relative to the reseller's customer base), to provide the reseller the ability to inform customers on an immediate basis of service ordering, status, repair and maintenance, and other information pertinent to service provisioning and customer inquiry.

Section 552. Number Portability and Administration.

(a) Number Portability

(i) These rules are to lead to implementation of permanent number portability, on a service provider basis, to permit a customer to keep his or her local telephone number when changing service providers. As provided in 37-15-404 (e)(v) of the Act, and Section 251 (b)(2) of the Telecommunications Act of 1996, permanent number portability is to be implemented by all local exchange carriers when technically feasible, subject to requirements prescribed by the Federal Communications Commission.

(ii) Implementation of such a permanent number portability solution is to be planned for by the industry, and deployment is to begin in the networks of incumbent and competing carriers by Third Quarter, 1997.

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(iii) The industry shall take as an objective that the mechanism by which permanent number portability is provided will be generally transparent to the customer. There should be no loss of functionality, quality, or access to services caused by the implementation of permanent number portability. Calls from non-number portability capable local exchange carriers (e.g., wireless) must be accommodated.

(iv) Prior to the implementation of "permanent" number portability solutions in Wyoming, competing local exchange carriers may obtain "interim" number portability from incumbent local exchange carriers, through available solutions. Such available solutions shall be determined in the first instance by mutual agreement of the involved local exchange carriers. Charges to competing local exchange carriers for interim portability solutions shall not exceed incremental unit costs plus investment carrying costs (cost of money and taxes).

(b) Number Administration

(i) The Federal Communication Commission's Report and Order in CC Docket 92-237, dated July 13, 1995, establishes the North American Numbering Council to oversee administration of the North American Numbering Plan. It also states a process by which central office code assignment functions will transition to an impartial entity. Furthermore, the Telecommunications Act of 1996 requires the FCC to create or designate one or more impartial entities to administer telecommunications numbering and to make such numbering available on an equitable basis.

(ii) The Telecommunications Act of 1996 expressly envisions the FCC may delegate to State commissions or other entities all or any portion of the FCC's jurisdiction. Accordingly, the Commission reserves jurisdiction relating to numbering within the state of Wyoming, to the extent it exists under federal and state law, and FCC rules.

Section 553. Tariffs, Price Schedules or Other Negotiated Arrangements.

(a) Incumbent Local Exchange Carriers

(i) Unbundled network elements and interconnection services are to be offered by incumbent local exchange carriers under filed tariffs, related price schedules or other negotiated arrangements allowed by the Commission, pursuant to Section 252 of the Telecommunications Act of 1996. Such tariffs, related price

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schedules or other negotiated arrangements are to be in compliance with and to implement all provisions of Sections (549) - (552) above, including the resale, interconnection, and unbundled access duties and obligations of Section 251 of the Telecommunications Act of 1996.

(ii) Such tariffs, related price schedules or other negotiated arrangements are to be filed for approval by the Commission by incumbent local exchange carriers subject to the provisions of these rules, and the timetables and procedures of the Telecommunications Act of 1996.

(iii) The just and reasonable rates for interconnection of facilities and equipment, and for unbundled network elements as determined by the Commission shall be based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element, nondiscriminatory, and may include a reasonable profit.

(iv) Just and reasonable terms and conditions for reciprocal compensation shall provide for the mutual and actual recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier, and be based upon a reasonable approximation of the additional costs of terminating such calls. Arrangements that afford the recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual recovery (such as bill-and-keep arrangements) are not precluded by this provision.

Section 554. Disaster Recovery and Service Restoration.

(a) Each local exchange carrier shall enter into a mutual aid agreement jointly with all competing local exchange carriers in its territory. Such agreement will address service restoration in the event of significant outages or disasters affecting one or more carriers. The agreements shall provide for prompt restoration of service by joint action, where necessary, and shall not permit demands for excess compensation. Restoration priorities shall be consistent with all directives of the Commission, and the Federal Communications Commission. On an annual basis, the carriers shall report jointly to the Commission on experience under the agreement, any planned revisions, and any perceived need for additional involvement by the Commission. The quality of service rules should be referred to for any other additional necessary details.

Section 555. Presubscription and Equal Access.

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(a) An RBOC must provide intraLATA 1+/0+ equal access throughout the state by the earlier of: i) January 1, 1998, per the Act; or ii) upon receiving authority to provide interLATA services originating in Wyoming from the Federal Communications Commission (upon its consultation with the US Attorney General and the Commission).

(b) Each rural local exchange carrier shall provide intraLATA 1+/0+ equal access by January 1, 1998. A rural local exchange carrier may petition for an extension on the grounds that equal access implementation in specified exchanges cannot reasonably be provided within the required time frame. Such petition shall specify the reasons such implementation may not reasonably be accomplished. The Commission, after notice and hearing, may grant or deny such an extension upon such a showing. For rural local exchange carriers the Commission will suspend or modify its deadline for equal access if it finds it is consistent with the public interest, convenience and necessity in order to: i) avoid a significant adverse economic impact on users of telecommunications services generally; ii) avoid imposing a requirement that is unduly economically burdensome; or iii) avoid imposing a requirement that is technically not feasible. The Commission shall act upon such petitions by rural carriers within 180 days after receiving such petition.

(c) Any other incumbent local exchange carrier(s), which are neither a rural local exchange carrier, nor a RBOC, shall provide intraLATA 1+/0+ equal access by January 1, 1998, or earlier if necessary to meet the requirements associated with the Telecommunications Act of 1996

(d) Nothing herein shall prohibit a local exchange company from voluntarily providing intraLATA 1+/0+ equal access prior to that date. For purposes of this section, the provisions of the Act (37-14-103-a-v) do not apply.

(e) Customer education and presubscription procedures

(i) Within 60 days of the effective date, incumbent local exchange carriers which will have converted to equal access by that date shall send to their customers in exchanges that have interLATA equal access (as of the effective date) information describing intraLATA equal access and how to presubscribe to obtain it. Where interLATA balloting has already occurred, it is not necessary to reballot for interLATA equal access. There shall be no charge for the initial designation of an intraLATA carrier.

(ii) In exchanges where both interLATA and intraLATA equal access is implemented after the effective date, balloting for both interLATA and

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intraLATA equal access shall be conducted concurrently. Balloting shall be carried out in accordance with the requirements for interLATA equal access established by the Federal Communications Commission in CC Docket 83-1145, Phase I. The local exchange carrier shall provide to customers information that provides clear directions and forms to allow customers to presubscribe to their selected primary intraLATA carrier.

(iii) Customers who commence service after the initial intraLATA equal access implementation is completed in their exchange shall be informed of their carrier selection options in a competitively neutral manner at the time that service is requested and shall be requested to select both their primary interLATA and intraLATA companies. Customer initiated contacts to the local exchange carrier's office shall not be utilized to market long distance services provided by the local exchange carrier. If a carrier is not selected by the customer, the process defers to the previously mentioned FCC procedures.

(iv) Informational materials, forms and scripts developed for use in compliance with these rules shall be complete, clear and unbiased. The local exchange carriers shall cooperate with the interexchange telecommunications companies to develop these informational materials, forms and scripts and shall file these materials, forms and scripts with the Commission not less than 120 days prior to the implementation of equal access. Copies shall also be served on each interexchange carrier that has indicated an intent to be included in such materials and/or on customer ballots. The Commission shall have 30 days after receipt of such materials, forms or scripts to consider comments from interested parties and to notify the company of any revisions necessary to ensure completeness, clarity and objectivity. The company shall promptly make those changes before using the materials, forms or scripts.

(v) No later than January 1, 1997, local exchange carriers shall notify all interexchange carriers operating in Wyoming of the anticipated exchange by exchange schedule for implementation of intraLATA equal access as well as ordering procedures, terms and conditions for an interexchange carrier to participate. In no event shall there be less than 180 days between notice to such carriers and implementation of intraLATA equal access.

(vi) Complete listings of the local exchange carrier's customers shall be available to interexchange carriers consistent with regulations required by the FCC in the establishment of interLATA equal access. Costs should be recovered as a cost of equal access. The interexchange company shall use such lists only for

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purposes of presubscription solicitation and only through a period 180 days after implementation of equal access.

(vii) Interexchange telecommunications companies intending to be included in all informational materials or ballots furnished to customers in advance of initial implementation of intraLATA equal access in any exchange shall notify the local exchange carrier in accordance with guidelines established by the FCC for interLATA equal access. The local exchange company shall then include the interexchange telecommunications company in all materials and forms listing providers.

(f) No charge shall be imposed for a customer's initial selection of a primary intraLATA carrier. Each local exchange company shall allow customers to change their selection of a primary intraLATA carrier, at no charge, within six months following implementation of equal access in an exchange. Any charges for subsequent changes shall be the same as those imposed for changing interLATA carriers. A single PIC change charge should apply when customers change both their interLATA and intraLATA PIC at the same time, unless a LEC can demonstrate that significant unrecovered cost differences exist. No PIC change order shall be submitted to a local exchange carrier unless and until the order has been confirmed in accordance with the procedures set forth by the Federal Communications Commission in its order of December 19, 1991 in CC Docket No. 91-64.

(g) IntraLATA 0+ calls must be routed to the customer's primary intraLATA carrier. Customers' intraLATA calling shall continue to be provided by their current carrier until the customer selects a different primary intraLATA carrier. Premise owners may select the intraLATA carrier for customer-owned and semi-public pay phones. The following types of calls shall not be subject to intraLATA presubscription: 00-, 411, 911 and 976. Calls that utilize the following dialing protocols shall also be excluded from intraLATA presubscription: 500, 700, 800 and 900 calls.

(h) Each local exchange carrier may seek to recover those additional costs that are incurred for the provision of intraLATA equal access through a method allowed by the FCC for interstate equal access cost recovery. However, companies paying or assessing costs may petition the Commission for a different method if the company can provide evidence that the alternative method is reasonable to all affected parties and will not result in excessive cost recovery. Those costs include only initial incremental expenditures for hardware and software related directly to the provision of equal access that would not be required to upgrade the switching

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capabilities of the office absent the provision of intraLATA equal access. Those costs also include administrative costs incurred in the approved customer education and presubscription efforts, reduced to the extent that these efforts would have occurred in connection with interLATA presubscription. Equal access costs may be recovered over a 5-year period.

(i) Competing local exchange carriers shall follow all equal access rules that are applicable to incumbent local exchange carriers. Competing local exchange carriers shall provide equal access to all interexchange carriers for all customers, as shall incumbent local exchange carriers.

Section 556. Privacy and Confidential Information

(a) Each local exchange carrier and the related marketing departments; billing departments; service order functions; affiliates/subsidiaries; and others have an obligation to protect the confidentiality of proprietary information relating to customers and other carriers. Exclusive or preferential sharing of contract information, network information or customer proprietary information with and among described entities may be discriminatory and violate privacy and confidentiality provisions, subject to conditions at (b) below. In addition, making proprietary customer information of another carrier available to marketing departments or similar entities for its own marketing efforts or advantage may be discriminatory and violate privacy and confidentiality provisions, subject to conditions at (b) below.

(b) Conditions under which "customer proprietary information" does not apply, or conditions under which information may be disclosed includes:

(i) information for which a prior affirmative written consent by the customer, carrier or unaffiliated party exists;

(ii) information which is commonly or otherwise publicly available such as information included in directory listings;

(iii) information which is required to be used by and for a billing department or agent in order to initiate, render, bill and collect for telephone service requested by a customer, carrier or an unaffiliated party;

(iv) certain customer proprietary information in aggregate form;

(v) information released pursuant to a court order;

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(vi) when necessary to protect customers, carriers or unaffiliated parties from fraudulent, abusive or unlawful use of, or subscription to, any such service; and

(vii) other lawful exceptions granted by the Commission related to public interest, convenience and necessity.

(c) Customer proprietary information and other proprietary information may be shared with any affiliated entity as required by this section, or with any unaffiliated entity, only with the prior affirmative written consent of the customer or the other party from which such information was obtained or received. Where such consent is obtained, the related information must be made available, upon reasonable request, to affiliated parties, other carriers and unaffiliated parties on identical terms, conditions and notice. In soliciting the consent of a customer, carrier or unaffiliated party to which the information is related to or from which it was obtained, the carrier must disclose the extent (and type of information) to which it will disclose such proprietary information to affiliates, carriers or unaffiliated third parties.

(d) A carrier that receives or obtains customer proprietary information because of its provision of a retail telecommunications service may use, disclose or allow access to aggregate retail customer information, as an exception to (c). A local exchange carrier may use, disclose or allow access to such aggregate retail information only if it provides such aggregate retail information to other carriers or persons on reasonable and nondiscriminatory terms and conditions upon reasonable request. Aggregate retail information refers to collective data that relates to a group or category of services or customers, from which individual customer characteristics and identities have been removed and is not intended to include wholesale services made available to interexchange telecommunications companies, resellers and others by local exchange carriers.

(e) If noncompliance with these rules occurs, or improper disclosure occurs, the Commission can pursue existing available remedies and implement formal structural separation procedures as necessary.

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Section 517. Total Service Long Run Incremental Cost Study Methodology. The methodology described in rule sections 517 through 547 shall be followed by telecommunications companies for the calculation of all total service, long run incremental cost (TSLRIC) studies to be used to demonstrate compliance with the Wyoming Telecommunications Act of 1995 ("Act").

Section 518. Filing of Studies. Pursuant to W.S. § 37-15-402 (a), telecommunications companies providing noncompetitive services to 30,000 or more access lines within the State of Wyoming shall file TSLRIC studies, for all of its essential, noncompetitive and competitive services, performed in compliance with these rules annually. On or before April 1, such telecommunications companies shall provide the Commission with a complete listing of their proposed TSLRIC inputs, including those referenced in Sections 536 through 539. An original and three copies of all studies shall be filed on or before October 1. All filed information may be provided on a proprietary basis.

When a telecommunications company submits a TSLRIC study, it must simultaneously file a complete set of workpapers and source documents.

- (a) The workpapers must clearly and logically present all data used in developing the cost estimates and provide a narrative explanation of all formulas and algorithms applied to the data. These workpapers must allow others to replicate the methodology and calculate equivalent or alternative results using equivalent or alternative assumptions.
- (b) The workpapers must clearly set forth all significant assumptions and identify all source documents used in preparing the cost estimate.
- (c) The workpapers must be organized so that a person unfamiliar with the study will be able to work from the initial investment, expense, and demand data to the final cost estimate. Every number used in developing the estimate must be clearly identified in the workpapers as to what it represents. Further, the source should be clearly identifiable and readily available, if not included with the workpapers.
- (d) Any input expressed as a "dollars per minute", "dollars per foot", "dollars per loop", "dollars per port", or the like must be traceable back to the original source documents containing the number of dollars, minutes, feet, loops, ports, and the like from which these figures were calculated.

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- (e) To the extent practicable, data and workpapers must be provided in machine readable form on diskettes using standard spreadsheet or database software formats. Each diskette must contain a 'read me' or similar file that defines the contents of each file on the diskette and contain an explanation of the definitions, formulas, equations, and data provided on the diskette. To the extent that proprietary models are used, those proprietary models will be made available, along with documentation and user instructions, under protective order for use by Commission staff and other parties of standing.
- (f) An index or detailed table of contents of the workpapers and source documents must be provided. In addition, to the extent practicable, a cross index should be included that will allow other parties to track key numbers through the various source documents, workpapers and exhibits.

On or before December 31, the Commission will issue an Order approving or rejecting the filed TSLRIC studies. A telecommunications company may update a TSLRIC study during the interval between its annual filings based on a change in the assumptions regarding investment or expenses, but it must do so for all services or basic network functions affected by the changed assumption simultaneously. The costs associated with equivalent basic network functions, as described in Section 532, must remain consistent during any interim recalculation of the TSLRIC for any service.

Section 519. TSLRIC Study Surrogates. Pursuant to W.S. § 37-15-402 (a), telecommunications companies providing noncompetitive services to fewer than 30,000 access lines within the State of Wyoming may elect to use reasonable TSLRIC study surrogates. Surrogate studies must be shown to be consistent across all services and representative of the costs and operations of the telecommunications company seeking to use it in an appropriate filing with the Commission. The criteria used, by the Commission, in determining the reasonableness and comparability of proposed TSLRIC surrogates shall include but not be limited to the following:

- (a) the subscriber density of the area to be studied;
- (b) the average loop length of the area to studied;
- (c) all pertinent geographic features of the area to be studied including for example, topography, soil and weather conditions and distance to bed rock; and
- (d) any other characteristics of providing basic local exchange service which could potentially vary significantly among different locales within the state.

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Section 520. Direct Application of the TSLRIC Standard. The methodology described in these guidelines shall be followed by telecommunications companies to conduct TSLRIC studies to be used for the following purposes:

- (a) to provide the cost information necessary for the transition to insure that the pricing of a telecommunications company's services recover at least the relevant costs as described in W.S. § 37-15-402 (a) and (b);
- (b) to provide the cost information necessary for the enforcement of the prohibition against cross-subsidies as described in W. S. § 37-15-403 (a), (b), (c); and
- (c) other purposes as determined by the Commission that are consistent with applicable law.

Section 521. Use of TSLRIC in the Calculation of a Price Floor for Message Toll Service ("Imputation Requirement"). The calculation of TSLRIC utilizing the methodology described in these guidelines shall be used to:

- (a) demonstrate compliance by a telecommunications company with the imputation requirement for message toll service as described in W. S. § 37-15-402 (d). Specifically, the methodology described in these guidelines shall be used to determine the cost of elements and functionalities of providing message toll service classified as "those elements of switched access which cannot be economically duplicated by competitors;" and
- (b) demonstrate compliance with other imputation requirements as determined by the Commission.

Section 522. Type of Studies to be Performed. Cost studies performed in compliance with these guidelines shall conform to the TSLRIC methodology as defined in the Act: " 'Total service long run incremental cost' means the total forward-looking cost, using least cost technology, for a telecommunications service or basic network function that the telecommunications provider would incur if it were to initially offer such telecommunications service or basic network function."

Section 523. Long Run. Long run shall be defined to mean a period of time sufficient for all costs associated with the provision of a service or basic network function to be avoidable; it is a time interval over which all plant, equipment, and other investment are to be replaced. In a cost study conducted in compliance with these

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guidelines, no forward-looking investment required to provide the service or basic network function in question shall be considered sunk.

Section 524. Network Topology. Existing network topology will be assumed to exist over the long run, unless a telecommunications company has documented plans to change such topology. If a planned, rather than actual, network topology is used, it shall be used for all cost studies performed in compliance with these guidelines. The technologies that provide the most efficient means of supplying the necessary capacity, given this topology, should be assumed. Each study shall clearly identify the technologies, the capacity, assumed for each technology used in the study, and a statement of whether the technology(ies) assumed in the study is the most efficient and least cost. Cost studies performed using this approach will be considered to be in compliance with the requirement in W. S. § 37-15-103 (xiii) that TSLRIC studies be based on the technology that would be used if the telecommunications company "were to initially offer" the service or basic network function being studied. The technologies that provide the most efficient means of supplying the necessary capacity over the optimal topology will be used. If a telecommunications company can show that it does not plan to change its network topology over the long run, it may use its existing network topology.

Section 525. Forward-Looking Technology. Forward-looking technology shall be defined to mean that a telecommunications company will include in its TSLRIC studies the technology, or mix of technologies, that would be chosen in the long run as the most economically efficient choice for the provision of a given basic network function or service. The telecommunications company must clearly explain within the workpapers or source documents the choice of each technology; the price of each technology; the source of the technology and its price or the method by which the price was determined.

Section 526. Currently Available Technologies. A telecommunications company's choice of forward looking, least cost technologies shall be restricted to those technologies available in the marketplace and for which vendor prices can be obtained at the time the study is performed.

Section 527. Total Demand Assumption. A telecommunications company's choice of forward looking, least cost technologies shall be consistent with the level of output necessary to satisfy current levels of demand for all services or basic network functions using the plant, equipment, or other investment in question, or the level of output necessary to meet reasonable forecasts of demand for all services or basic network functions using the plant, equipment, or other investment in question over the study period. The determination of investment level shall represent the economic or

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efficient level of investment needed to meet the study demand. A telecommunications company's choice of the use of current or forecasted demand shall remain consistent for all studies performed (i. e., a telecommunications company may choose replacement technologies based on current demand for all studies performed, or based on forecasted demand for all studies performed, but may not vary this assumption among studies).

Section 528. Increment to be Studied. For purposes of all studies performed in compliance with these guidelines, the relevant increment of output shall be the level of output necessary to satisfy the total current or forecasted demand of the service or basic network function being studied, consistent with Section 527. All costs that occur over the long run as a result of a telecommunications company's decision to offer a service or basic network function shall be included in this "total service" methodology. Conversely, all costs that can be avoided over the long run by a telecommunications company's decision not to provide a service or basic network function shall be included.

Section 529. Service Specific Fixed Costs. All costs which do not vary with individual units of output, or with changes in the level of output, but which are incurred by a telecommunications company as a result of its decision to offer a service or basic network function (or which would be avoided in the long run by a decision not to offer the service or basic network function), shall be included in all TSLRIC studies performed in compliance with these guidelines.

Section 530. Unbundled Network Components or Basic Network Functions. TSLRIC studies filed in accordance with these rules shall reflect the cost of individual basic network functions. The TSLRIC results and documentation for the provision of basic local exchange service as well as for message toll service shall be disaggregated to the most basic network function. Basic network functions for which individual TSLRIC shall be assigned include but are not limited to the following:

- (a) Local Loop Distribution
- (b) Local Loop Concentrator
- (c) Local Loop Feeder
- (d) Local Switching
- (e) Operator Services
- (f) Tandem Switched Local Transport

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- (g) Dedicated Local Transport
- (h) Interoffice Transport
- (i) Signaling Links
- (j) Signal Transfer Point (STP)
- (k) Signal Control Point (SCP)

Individual basic network functions, such as those listed above, shall be combined to reflect the cost of service offerings, such as basic residential local exchange service, after the cost of the basic network functions needed to provide such service have been determined. Costs associated with the basic network functions necessary to provide the local loop shall not be included in the TSLRIC of any services, other than basic local exchange services, which utilize the local loop, including message toll service, but shall instead be separately identified. TSLRIC results proposed by any telecommunications company shall be consistent throughout all services and basic network functions. TSLRIC results for basic network functions should not vary significantly among or between services which use the same basic function, whether or not they are used exclusively in the provision of services or they are offered for sale on an interconnection basis.

Section 531. Principle of Cost Causation. All TSLRIC studies performed in compliance with these guidelines shall follow the principle of cost causation and include in the calculation of the cost of a service or basic network function all costs that change as a result of a telecommunications company's decision to offer the service or basic network function, or to provision it in a specific way. For the costs associated with plant, equipment, or other investment used to provide two or more services or basic network functions, if the costs are incurred as a direct result of the decision to offer (or provision in a specific way) one identifiable service or basic network function, these costs shall be considered to have been "caused" by the identified service or basic network function and will be included only in the calculation of cost for that service or basic network function. For those services or basic network functions that share the plant, equipment, or other investment with the "cost-causing" service or basic network function, the correct and relevant TSLRIC shall be the cost of the least cost, most efficient technology to provide the service or basic network function consistent with Section 525. For the "non cost causing" services or basic network functions, the least cost, most efficient technology may or may not be the technology used to provide the "cost causing" service or basic network function.

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Section 532. Required Level of Consistency Among Cost Studies for Different Services. Different services offered by a telecommunications company will often use equivalent basic network functions. While TSLRIC studies performed in compliance with these guidelines may be performed on the basis of the service, rather than being performed at the level of the underlying basic network function on a non-service specific basis, it is expected that the costs identified for equivalent basic network functions will not vary significantly among TSLRIC studies for specific services. If a telecommunications company contends that significant cost differences for equivalent basic network functions do exist among services, it must fully document the basis and justification for such differences as a part of the documentation of the cost study for each service using the basic network function in question.

Section 533. Development of Total Service Long Run Incremental Costs. Total service long run incremental costs developed in compliance with these guidelines may be calculated by identifying the investment associated with a telecommunications company's decision to offer the service or basic network function, and applying appropriate annual charge factors to calculate an annual cost, including capital and non-capital costs. Annual charge factors may include, but not be limited to, capital components such as the cost of money and depreciation, and expense components such as administrative expenses, business fees, insurance and income taxes. The annual charge factors for each service or basic network function will be identical unless a telephone company can demonstrate that an element(s) within the annual charge factor for a particular service or basic network function actually will be higher or lower due to particular circumstances related to that service or basic network function. Monthly costs may be derived from annual costs by dividing by 12.

Section 534. Identification of Investments. The investments associated with the provision of a service or basic network function shall be identified in a manner consistent with the requirements described in Sections 522, 525 and 531.

Section 535. Inclusion of Shared Investments. A portion of the costs associated with plant, equipment, or other investment that is used by a telecommunications company to offer two or more services or basic network functions shall be included in the TSLRIC of each service or basic network function only upon a showing that a discrete component of this shared investment can be identified as having been directly caused by the decision to offer the service or basic network function being studied (and which will be avoided if the service or basic network function being studied is not offered). The costs associated with the use of shared investments that cannot be avoided if the service or basic network function being studied is not offered should be considered shared costs, and should not be included in the TSLRIC for a service or basic network function. At no time should costs which are not avoidable if the service or

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basic network function being studied is not offered be allocated or otherwise included in the cost study for the service or basic network function. If the capacity of the shared investment is finite, the displacement of capacity by the service or basic network function being studied contributes directly to the exhaustion of the investment and represents a relevant TSLRIC of the service or basic network function. The costs associated with shared investment shall be explicitly included in TSLRIC studies performed in compliance with these guidelines.

Section 536. Treatment of Spare Capacity. Inclusion of spare capacity, including but not limited to administrative fill for plant and equipment, shall be in accordance with the principle of cost causation described in Section 531. At no time shall a telecommunications company include the costs associated with spare capacity in the TSLRIC study for a service or basic network function based on relative usage, unless it demonstrates that the service or basic network function in question has "caused" this proportion of spare capacity costs in accordance with Section 531 and Section 535. The demonstration, to be included in the workpapers or source documents, shall include, but not be limited to, the name of equipment, the capacity factors used (e.g., administrative, modular, breakage, or growth), the calculations and assumptions used to determine each type of spare capacity, and a demonstration that the economic or efficient level of investment is needed for the projected or current demand.

Section 537. Use of Investment Loading Factors. Investments used in the provision of a service or basic network function that vary with the plant, equipment, or other investment caused by the service or basic network function in accordance with Sections 522 and 531 may be included in an TSLRIC study performed in compliance with these guidelines through the use of loading factors. Investments that may be appropriately included in TSLRIC studies using this method include (but are not necessarily limited to) land, buildings, poles, conduit, and miscellaneous common equipment and power. The categories of loading factors and level of loading factors will be explicitly identified in the annual TSLRIC filing.

Section 538. Conversion of Investments Into Annual and Monthly Costs. The investments identified in Section 534 may be converted to annual costs through the use of a standard set of annual charge factors (ACFs). ACFs may vary by Uniform System of Accounts (USOA) code, but the ACF for a given USOA account code should not vary by service or basic network function unless the company demonstrates the appropriateness of the variance based on the service

Section 539. Cost of Money. The determination of the cost of money included in the TSLRIC ACFs determined by a telecommunications company shall be fully documented, including a list of all assumptions used. Assumptions regarding the cost

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of money to be included in the ACFs shall not vary by service or basic network function except where a higher cost of money to reflect the increased risk associated with providing a competitive service or basic network function is used (at no time shall a non-competitive service or basic network function be assumed to have a higher cost of money than a competitive service or basic network function), and shall not be changed more than once in any twelve month period without prior approval by the Commission. No attempt to alter or apply changes in the cost of money will be made to a study when it is used as a surrogate.

Section 540. Use of Mechanized Cost Models. A telecommunications company may use all mechanized cost models currently in use, including computer spreadsheets, programs, and other models, to conduct TSLRIC studies in compliance with these guidelines, provided that all cost principles and requirements are complied with in full. All acronyms for cost terms, equipment and non-standard verbiage shall be clearly defined within the study. All spreadsheets shall include the formulas used in calculating the individual results. All spreadsheet and work paper results shall be referenced or mapped to other spreadsheets or workpapers for a complete audit trail. If a telecommunications company plans to discontinue the use of a spreadsheet, program, or model currently in use, it shall notify the Commission and provide a detailed explanation of how the incremental cost for services or basic network function currently being calculated using the model in question will be determined. If a telecommunications company plans to begin use of a spreadsheet, program, or model not currently in use, it shall notify the Commission and provide a detailed description of how the proposed spreadsheet, program, or model will operate, including a list of required inputs, a description of processing algorithms, and a description of the model output.

Section 541. Deaveraged Cost Studies For Local Exchange Services. Local exchange companies which prepare and file TSLRIC studies in accordance with these rules shall design the studies to reflect the differences in costs associated with providing local exchange service to geographically distinct groups of customers. Telecommunications company's shall provide cost information for groups of customers disaggregated to the smallest practical size, which shall consider factors as defined in Section 519(a) to (d), inclusive. TSLRIC costs for local exchange services shall not be expressed as company wide or state wide average costs unless the telecommunications company can demonstrate that there are no significant differences in the cost of providing basic exchange services to geographically disparate groups of customers.

Section 542. Determination of Cost. TSLRIC studies submitted in compliance with these rules shall identify the cost of providing local exchange services. Cost recovery mechanisms such as universal service funding, carrier access line revenue, dial

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equipment minute weightings and arbitrarily defined zone and mileage charges shall be considered revenues or cost recovery mechanisms, and shall not be considered TSLRIC determinants. In addition, TSLRIC studies filed in accordance with these rules shall include only cost based elements or basic network functions.

Section 543. Use of a Planning Period. A telecommunications company may choose a planning period for the calculation of incremental costs, consistent with the definition of long run in Section 523. The planning period chosen must be consistent among the incremental cost studies performed for each service or basic network function and among different services or network functions.

Section 544. Required Documentation. Telecommunications companies shall continue to produce the currently available documentation for all incremental cost studies performed in compliance with these guidelines. In addition, telecommunications companies will provide the additional documentation necessary to comply with the requirements as set forth in Sections 518, 532, 536 and 540 or any other additional documentation requested by the Commission.

Section 545. Treatment of Proprietary Information. The level of documentation for incremental cost studies performed consistent with these guidelines may require the production of information that a telecommunications company asserts to be proprietary or confidential. Complete documentation, including the asserted proprietary information, shall be provided to the Commission and intervenors, subject to an acceptable proprietary agreement. A telecommunications company may, upon showing of good cause to the Commission, restrict intervenor access to this information to those individuals not responsible for the development, pricing, or marketing of services that are competitive with the service or basic network function in question of a telecommunications company. At no time shall the Commission's access to this information be restricted.

Section 546. Toll Price Floors. Any telecommunications company which offers both intrastate message toll service and noncompetitive basic local exchange service shall be required to impute, in its retail rate for intrastate message toll service, the rate which it charges others for the use of its local exchange facilities, or basic network functions, where it also uses those facilities, or basic network functions, in the provision of its message toll service. Additionally, all costs which are incurred in the provision of intrastate message toll service, including but not limited to; originating and terminating access charges; billing and collection fees, all of which are paid to other local exchange providers, shall be included in the price floor for intrastate message toll service. Imputation analyses which support proposed price floors for intrastate message toll service shall be filed simultaneously with TSLRIC studies on an annual basis in

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accordance with Section 518 of these rules. The imputation analyses must be conducted for each toll service (e.g., MTS, WTS, 800 Service, each optional toll calling plan) using each service's specific annual demand characteristics. The Commission will review these analyses for compliance with these rules and applicable law.

Section 547. Price Floors-- Other Services. A telecommunications company that offers both noncompetitive and competitive services shall be required to impute, in its retail rate for each service, the rate which it charges others for the use of the component parts (e.g., pieces of equipment, or basic network functions or features) that are used in the provision of that retail service. Additionally, all other costs which are incurred in the provision of each of the company's retail services shall be included in the price floor for that service. Imputation analyses which support proposed price floors for those retail services shall be filed simultaneously with TSLRIC studies on an annual basis in accordance with Section 518 of these rules. The imputation analyses will be conducted for each retail service using that service's specific annual demand characteristics. The Commission will review these analyses for compliance with these rules and applicable law.